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Please find below and/or attached an Office communication concerning this application or proceeding.

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1   RECORD OF ORAL HEARING
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3   UNITED STATES PATENT AND TRADEMARK OFFICE
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6   BEFORE THE BOARD OF PATENT APPEALS
7   AND INTERFERENCES
8   _____
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10   *Ex parte* GLENN MCGARRY and WESLEY FEDORCHAK
11   _____
12
13   Appeal No. 2009-011598
14   Application No. 09/764,782
15   Technology Center 3600
16   _____
17
18   Oral Hearing Held: March 18, 2010
19   _____
20
21   Before HURBERT C, LORIN, ANTON W. FETTING, and
22   BIBHU R. MOHANTY, *Administrative Patent Judges.*
23
24   APPEARANCES:
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26   ON BEHALF OF THE APPELLANT:
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1   THE USHER: Calendar number 66. Appeal number 2009-011598.

2   Ms. Weisberg.

3   JUDGE LORIN: Thank you very much.

4   Hello, counsel.

5   MS. WEISBERG: Good morning.

6   JUDGE LORIN: Could you spell your name, please, for the court reporter.

7   MS. WEISBERG: Sure. A-L-I-S-O-N W-E-I-S-B-E-R-G.

8   JUDGE LORIN: All right. We are familiar with the case. When you are

9   ready, you may proceed. You have 20 minutes.

10   MS. WEISBERG: Okay. Thank you very much. Thank you for your time

11   and attention this morning. My name is Alison Weisberg. I'm appearing here

12   on behalf of the Appellant.

13   The assignee of this application is Marcus Capital. The claims on appeal are

14   claims 26 through 58; 26, 36 and 46 of which being the independent claims,

15   and those claims -- all the claims stand rejected under Section 103, there is an

16   obviousness rejection based on essentially two references, a patent publication

17   to Sandhu and a patent document to McErlean. Some of the other dependent

18   claims are rejected on official notice and while we address those points in our

19   Brief, I'm just going to go over, basically, three points today and not

20   everything we discussed in our Brief. I would like to just emphasize a couple

21   of points.

22   Just by way of a summary of the claimed invention, essentially, it is a

23   computer system. It includes client devices and a deal management computer.

24   These client devices are used to capture trade information and what that trade

25   information is, as claimed, is information about a party, a counterparty, the

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1   product type, which is the type of financial product that's involved with the

2   deal, and the claim goes on to describe that the deals are executed trades.

3   Looking now to the deal management computer, this is a computer that

4   processes the deals through multiple deal states. It takes the captured

5   information and routes it within the system based on the product type of the

6   financial product. And, so, just there, I would like to point out that the claimed

7   invention recognizes the need to treat different types of financial products

8   differently.

9   So, as I said, I'm really just going to focus on three points and not go over

10 everything in our Brief. I'm going to discuss as my first point one of the

11 claimed elements that we believe is missing from the -- is not present in the

12 cited art, that's missing from three of the -- the three independent claims.

13 The second I'm going to address, Appellant's position that the standard of

14 obviousness has not been met in this case.

15 And, third, I'm going to touch briefly on some of the dependent claims and talk

16 about why we think not all of those claims are present in the art.

17 So, then, addressing my first point, and this deals with the claim limitation that

18 states, "The captured information is routed based on one or more product types

19 of one or more financial products associated with the deals." The -- off the --

20 the Examiner in the office admits that the Sandhu reference, which is the

21 primary reference, does not teach or disclose this element but, instead, relies

22 on the McErlean reference to make up for this deficiency.

23 I'm going to talk a little bit about McErlean because there was a lot of

1   discussion in the history, the prosecution history, about what McErlean

2   discloses and which portions of McErlean allegedly disclose the -- this claim

3   limitation.

4   So, in the background, McErlean talks about use of a text analyzer to analyze

5   incoming electronic messages, that could be e-mail messages, to determine

6   what the content is and then classifies that electronic message as pertaining to

7   a particular topic.

8   The examples given in McErlean are balance entries, fund transfers and

9   interest rate inquiries. Based on, then, how the message is classified, it is sent

10 to an agent for handling based on what that agent's expertise is, for example.

11 That's all in the background.

12 Then McErlean goes on to say that classification of messages in this regard is a

13 very time-consuming process and, so, what McErlean did was they said that

14 they were going to tag the messages that they classified so that if those

15 messages left the system and then came back into the system, for example, as

16 part of an e-mail string, the computer system would see the tag and know that

17 it already classified the e-mail message and that it wouldn't have to do it again

18 and then it would route the message based on, you know, how it classified the

19 original message.

20 So those are the efficiencies that the McErlean invention is trying to achieve.

21 So, then, when you look at this from a high level, McErlean discloses routing

22 messages based on content analysis and tagging previously received messages

23 so that they don't have to be analyzed again, which would be very inefficient.

24 So, when you look at that and compare it to our claim limitation, other than the

25 fact that McErlean and the claim limitation both route information

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1 electronically, they are otherwise completely dissimilar.

2 The claims require -- they are very specific in what they require. They require

3 routing trade information based on product type of financial products that are

4 associated with deals and it also further states that the deals are executed

5 trades, and McErlean discloses none of these claim elements. It is much more

6 generic in what it discloses.

7 And there was a portion of the Reply Brief that mentioned that the product

8 type is merely the information that's contained in the message.

9 JUDGE MOHANTY: Counsel, I just -- I agree with your point but we have a

10 103 rejection.

11 MS. WEISBERG: Yes.

12 JUDGE MOHANTY: So all the financial stuff is really coming from the

13 Sandhu reference which teaches generic trading. This reference here, the

14 McErlean reference, is only being taught as a teaching of routing of the

15 messages; correct? And I don't -- I don't think you can dispute that there is a

16 clear routing tag shown in McErlean.

17 MS. WEISBERG: Yes.

18 JUDGE MOHANTY: And I think, also, in your claim, it doesn't require a tag.

19 It says that the information is routed based on the product type. So, simply --

20 simply just even in McErlean, just routing it based on scanning that message

21 and finding some word for financial transaction and routing it seems to meet

22 the limitation of that claim, but then even going beyond that, they talk about a

23 teaching of applying a tag here.

24 MS. WEISBERG: So let me address your point. So -- so, McErlean discloses

25 routing electronic messages based on the content of the message. The specific

1 examples are balance inquiries, interest rate, whatever, those -- I don't think

2 there are any other specific examples. Those are the examples provided.

3 None of those things are product types of financial products associated with

4 executed trades.

5 And, so, then, is what you are saying that that piece of it comes from the

6 Sandhu reference?

7 JUDGE MOHANTY: Yes. Wouldn't it be obvious, if you were going to tag a

8 message and send it in a certain direction, wouldn't it be obvious to use that in

9 the Sandhu reference? I don't see why, if you have a teaching that says I'm

10 going to put a tag, I'm going to scan it and I'm going to route it based on a

11 certain way, wouldn't it be obvious to apply it to this?

12 I mean I don't think -- I don't think that -- McErlean may not show the specific

13 type of product type but wouldn't it be obvious to use in a different

14 environment.

15 MS. WEISBERG: Okay. So, then, right. So then what you would be saying

16 is -- but I wanted to make sure that I understood, which is actually partially

17 why we have requested oral argument, that we really firmly understood the

18 position.

19 So, as I was -- in the Reply, the Examiner said this the product type is merely

20 the type of the captured information. We would submit that McErlean does

21 not disclose any of the specifics. So, then, if you are looking to the Sandhu

22 reference to supply that, then the argument, I presume, would go McErlean

23 teaches routing information based on something. And you are saying the

24 something is supplied from Sandhu.

25 JUDGE MOHANTY: Yes.

1   MS. WEISBERG: Okay. So, then, the question is would it be obvious to

2   combine these things.

3   Looking now to Sandhu, which I haven't addressed, but, basically, it is a front

4   end trading platform. And I don't know that, at least at this point, we need to

5   go into any more detail than that.

6   So what you are doing is you are taking a front end trading platform, the

7   teachings of that, and looking at an electronic messaging system and

8   attempting to combine their teaching to arrive at our invention and we would

9   submit that the only characteristic that these references have in common is that

10   they're computer systems that involve transfer of data over communication

11   lines. They otherwise have nothing in common at all.

12   So, again, I feel like there has been a level -- that the references and the

13   claimed invention are being looked at in a legal of abstractus that's just not

14   supported by the -- by the claim language.

15   And, then, furthermore, I would like to discuss for a minute whether the

16   rationale that has been provided or articulated for combining these references

17   is sufficient or appropriate.

18   We are all very familiar with KSR but if you will bear with me for a minute, I

19   would like to quote one section of it and that says, "The Supreme Court's

20   decision in KSR, rejections on obviousness cannot be sustained by merely

21   conclusory statements. Instead, there must be some articulated reason with

22   rational underpinnings to support the conclusion."

23   So, as I review the record, there have been essentially two rationales that have

24   been provided. The first rationale that was provided, and I believe this was

25   still during prosecution and not in the Appeal Briefs, was to allow for the most

1   efficient and productive processing of submitted deals. Appellants respectfully

2   submit that this is simply a mere conclusion and has none of the rational

3   underpinnings that are required by KSR.

4   So, then we look further to the Reply Brief and the motivation that was

5   articulated there was as follows. "To have modified -- one skilled in the art

6   would be motivated to combine these references or to have modified Sandhu to

7   incorporate the ability to route information as disclosed in McErlean based on

8   the product type contained in the information as disclosed in Sandhu to allow

9   for efficient classification of information which is a time-consuming process."

10   And, sir, I believe that was your point. So Appellants submit that even if this

11   is considered an articulated reason -- reasoning, it is flawed and it is flawed for

12   the following reason. When you look at McErlean and you are looking at the

13   efficiencies taught by McErlean, those efficiencies are related to the notion of

14   messages being classified once, sent out, come back into the system, and

15   tagged with some kind of tag such that they don't get classified again, and

16   those are the efficiencies that are achieved by McErlean.

17   If you are looking to achieve efficiencies in Sandhu, which has been the

18   articulated reason for combining these references, Sandhu has no use for such

19   efficiencies. There is -- there is no disclosure or mention of any types of

20   messages being -- coming into the system, being analyzed, routed out, coming

21   back in, and determining where they go. There is just simply no place for the

22   mechanism in McErlean that's disclosed to achieve any efficiencies.

23   And, so, you know, there is really no result to be achieved here by combining

24   these references, let alone a predictable result. And, so, you know, for at least

25   these reasons, we feel that the combination would just simply not be

1   appropriate.

2   My final point relates to certain of the dependent claims -- 56, 57 and 58.

3   These claims depend respectively from claims 36, 46 and -- 26, 36 and 46.

4   Excuse me. This limitation requires that the deal management computer is

5   further in communication with the plurality of internal systems and those

6   systems are associated with one or more product types. And the Office relies

7   on the Sandhu reference to disclose this feature.

8   Looking at Sandhu, which is actually a fairly long reference but I think figure

9   1 is very representative, it discloses the system that's used. It includes,

10 essentially, two large components on either side of the Internet, a member -- a

11 series of member provider systems and then their CFO web system which is

12 what the providers use to communicate and execute their trades.

13 And if you look at figure 1 and the components that are disclosed there, there

14 are certainly multiple components to each of the systems, but those multiple

15 components are not based on product type, they are based on the functionality

16 that they perform.

17 So, for example, if you look on the left side of figure 1, there is pricing and

18 payments and trading and confirmation and settlement and you could assume

19 that those are components of the system that perform those various

20 functionalities. And something similar is on the right-hand side -- chad

21 paging.

22 So, while we certainly submit that there are multiple components to the

23 Sandhu reference, those components are not at all related to product type.

24 And, again, we say product type and it sounds like, you know, we are talking

25 about a very generic term, but if you look at the claim, that's not the -- that's

1   not the only language we use. It is a product type of a financial product that's

2   a code -- associated with the deal and the deal in this instance is executed

3   trades.

4   And, so, Appellants submit that Sandhu just simply does not disclose this

5   claim limitation.

6   JUDGE MOHANTY: Isn't it likely that each department would have their

7   own internal systems, whatever that is, they would have their own printer or

8   their own hard drive space, at each department there would be a separate room

9   you would go into and there would be a brokerage department and a credit

10   default department and they would each have their own internal systems?

11   MS. WEISBERG: Whether it is likely or not, I'm certainly not sure, but it is

12   not disclosed in the Sandhu reference. I mean that's what our invention is.

13   JUDGE LORIN: Any further comments, counsel?

14   MS. WEISBERG: No.

15   JUDGE LORIN: Anything further?

16   JUDGE FETTING: No questions.

17   JUDGE LORIN: No?

18   Thank you very much, counsel. We will take your comments under

19   advisement.

20   Whereupon, the proceedings at 11:38 a.m. were concluded.